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bonus sacrifice &  
pension awareness.

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# about us.

We are a leading financial wellbeing and retirement specialist - helping those in the workplace to improve their financial future.

Established in 2005, we work with hundreds of organisations across both the private and public sector.

Our financial education services are delivered on a bespoke basis.

# what we'll cover today.

- The LSEG Pension Plan
  - Bonus sacrifice
- Limits to pension allowances
- Investing your pension
  - Target date funds (Lifetime Advantage Fund - LAF)
  - Self select investments
- Receiving your pension
- Next steps



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# the LSEG Pension Plan.

# defined contribution (DC) schemes.

Employer and employees  
contribute (tax-free\*)



Any investment  
growth is tax-free



You can access your  
pension from age 55\*\*



Receive up to 25%  
tax-free



Receive a taxable lump sum or generate  
a taxable income with remaining pot



\*subject to HMRC limits

\*\*The minimum age for accessing your pension is expected to increase to age 57 from 6 April 2028. Pension savings in certain schemes may be protected from this change.

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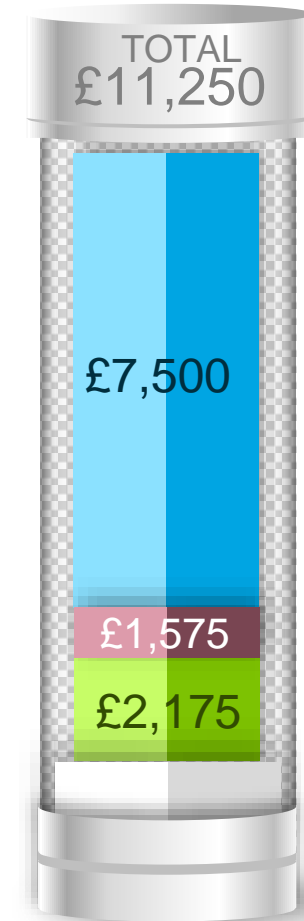
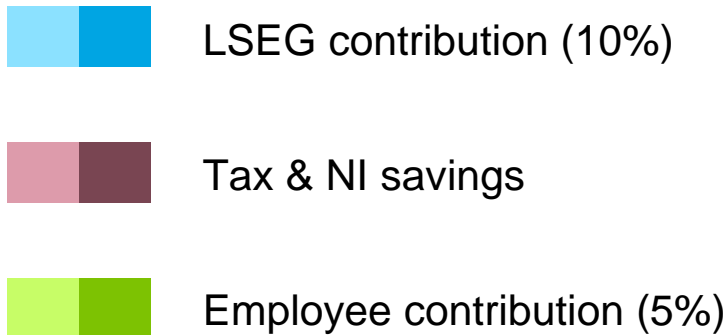
# your pension contributions.

The new combined structure		
You Pay	Employer Pays	Total
3%	6%	9%
4%	8%	12%
5%	10%	15%

- You can increase contributions beyond 5% however the company's contributions will not increase further
- You can change contribution levels at any time on MyBenefits
- Contributions are defaulted to be paid via salary sacrifice

# how your contributions may add up.

- Annual Salary = £75,000 (higher rate tax payer)
- Employee Contribution = £3,750pa (5%)
- Tax Saving (40%) = £1,500pa
- NI Saving (2%) = £75pa
- Personal Cost = £2,175pa
- LSEG Contribution = £7,500pa (10%)



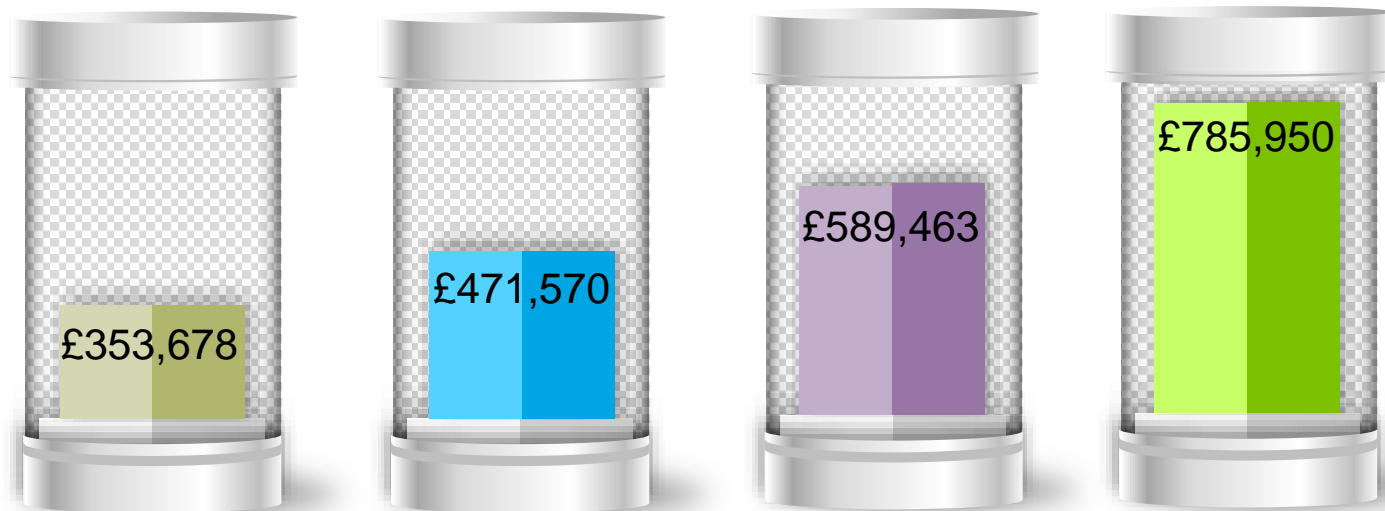
Salary sacrifice is the default contribution method



# how your contributions may add up.

The below example is based on a 30 year old earning £75,000pa.

Pensionable salary: £75,000 | Planned Retirement: Age 68



Total Contributions

3% + 6%

4% + 8%

5% + 10%

10% + 10%

Figures shown are for illustrative purposes only.

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# how your contributions may add up.

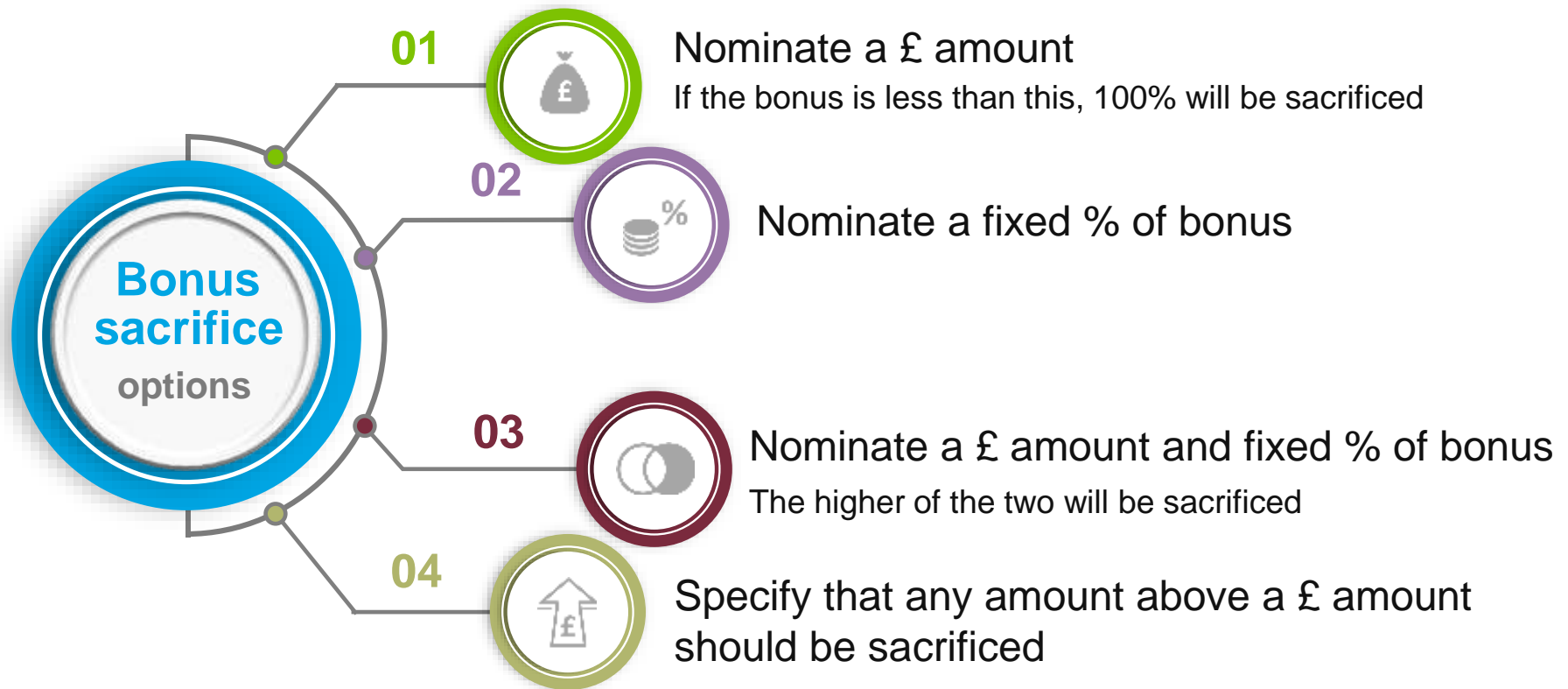
What assumptions are used to estimate this future pension value?

- Contributions rates remain unchanged
- Annual pay increases by 2.5%pa
- Charges of 0.75%pa are taken from the pension pot
- The pension investments grow by 5% each year
- Inflation of 2.5% applies - the value of the pension pot shown in the example is in today's money



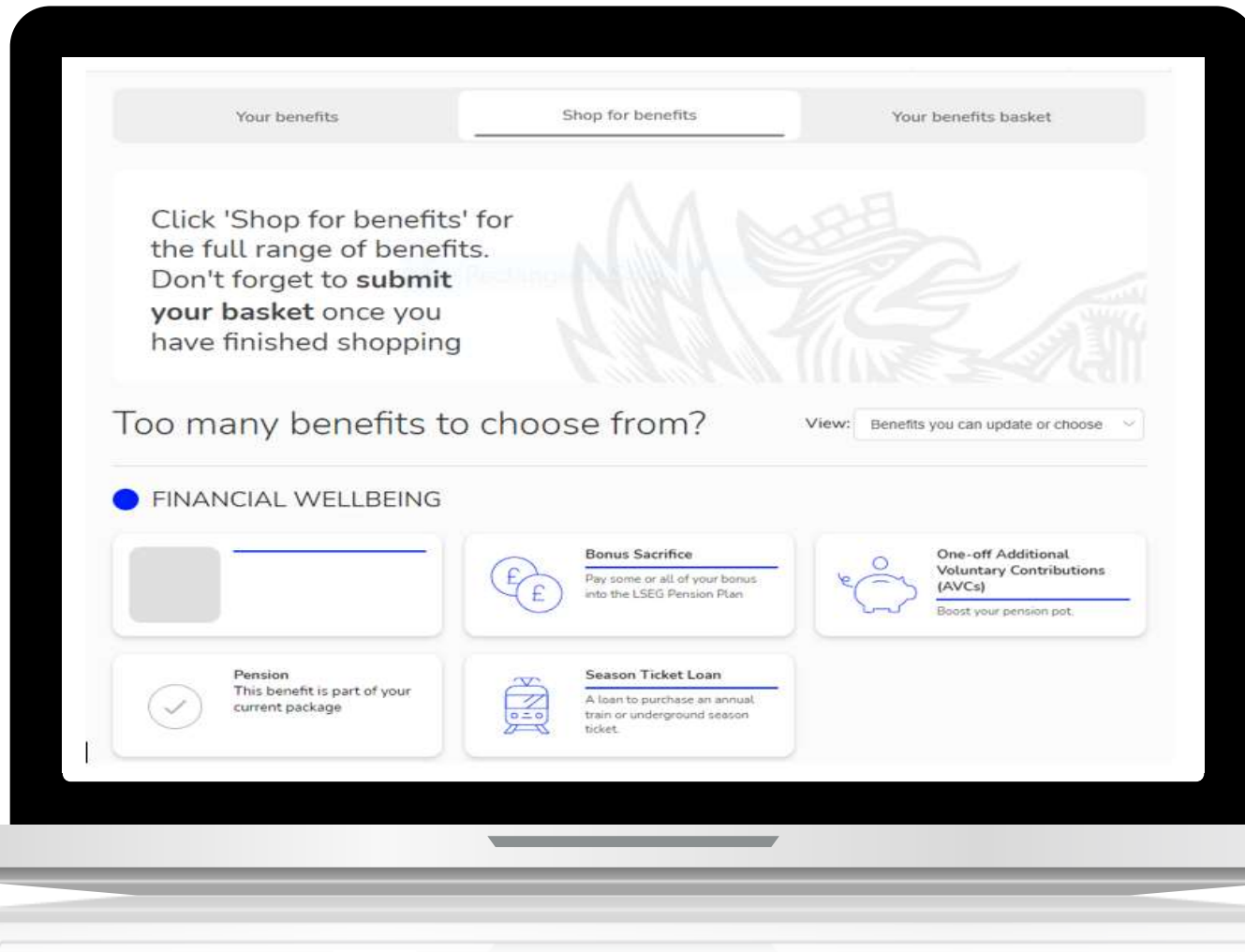
The assumptions used are from the Money Helper Pension Calculator. These have been used for illustrative purposes only.

# bonus sacrifice to your pension.



- Window for electing to sacrifice your LSEG bonus:  
3 February 2025 – 14 February 2025 (inclusive)
- Bonus announced: March

# MyBenefits.



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# MyBenefits.

## Bonus Sacrifice

Use your bonus to put a bit extra into your Pension Plan to boost your retirement savings.

You can choose to pay some or all of any bonus payment into your Pension Plan account rather than as cash in your March pay.

Please read the important notes below and the FAQs before you make a decision, because once you've selected and submitted this benefit, you're waiving your rights to receive the equivalent cash payment and you won't be able to change your mind after 14th February. If you'd prefer not to sacrifice any bonus into pension, you don't need to do anything and it'll be paid to you in your March payroll.

You need to decide whether to go ahead before your bonus is announced because we need to make arrangements now in order to meet HMRC requirements.

Please note that your entitlement to receive a bonus payment is discretionary and is not guaranteed. Bonus Sacrifice does not apply to any commission that you may receive. You may want to take independent financial advice before making any decisions.




### **Saving on Tax and National Insurance**

By taking this option and giving up your right to receive all or part of any payment as cash, a contribution equivalent to the sacrificed amount will be made into your Pension Plan account, along with your regular monthly employee and employer contributions.

This contribution is free from tax and National Insurance, as long as your total pension contribution in this tax year, including your Bonus Sacrifice amount, does not exceed your tapered Annual Allowance. Therefore, the full gross amount will be paid into your pension account. The amount you may save on tax and National Insurance depends on the rate of tax you normally pay.

To be eligible to sacrifice bonus you must be a contributing member of the London Stock Exchange

### Useful links

-  [Information on Annual Allowance](#)
-  [Pension Plan Member Site](#)
-  [Financial Education](#)

### FAQs

Why do I have to make a decision before I know the quantum of my bonus? >

I've changed my mind, can I change my choice? >

What happens if my nominated amount exceeds my bonus? >

How do I find out my pension value? >

How do I submit the Bonus Sacrifice? >

# MyBenefits.

## Things that might affect your Bonus Sacrifice decision:

### Annual Allowance (AA)

This can vary depending on earnings thresholds and is tapered between £10,000 and £60,000 a year. You can find more information on the Government website and the slides from the LSEG Financial Education sessions (see useful links). You need to check if you're impacted by these limits and decide if Bonus Sacrifice is appropriate for you. If your total pension contribution exceeds the AA in any tax year, then the excess would be taxable at your marginal rate. This should be declared through your self-assessment tax return. You may be able to pay in more than your tapered Annual Allowance tax free if you have unused allowance from any of the previous three tax years.

What are my options?

[Read more](#)

What happens next?

[Read more](#)

### Make your choices

Select how you would like your bonus sacrificed

% of bonus



Percent of bonus

0

☐ I have read and understood the [terms and conditions](#) of selection

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# MyBenefits.

Make your choices

Select how you would like your bonus sacrificed

Percent of bonus

☐ I have read and understood the [terms and conditions](#) of selection

Please select a % above 0

Please note: Changes must be submitted by 14/02/2025 to be active for 01/03/2025

Add to basket Undo changes Remove from basket

# bonus sacrifice into your pension.



Bonus sacrifice example:

- Chooses to sacrifice 50% of bonus to pension

£20,000 total bonus





# bonus sacrifice into your pension.

£10,000  
sacrificed to pension



£10,000  
received through payroll



£20,000 total bonus



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# bonus sacrifice into your pension.

£10,000  
sacrificed to pension



No Tax & No NI  
subject to HMRC limits

£10,000  
paid into the pension



£10,000  
received through payroll



£2,800 or £4,200  
lost to tax and NI (28% / 42%)



£7,200 or £5,800  
received net of tax and NI

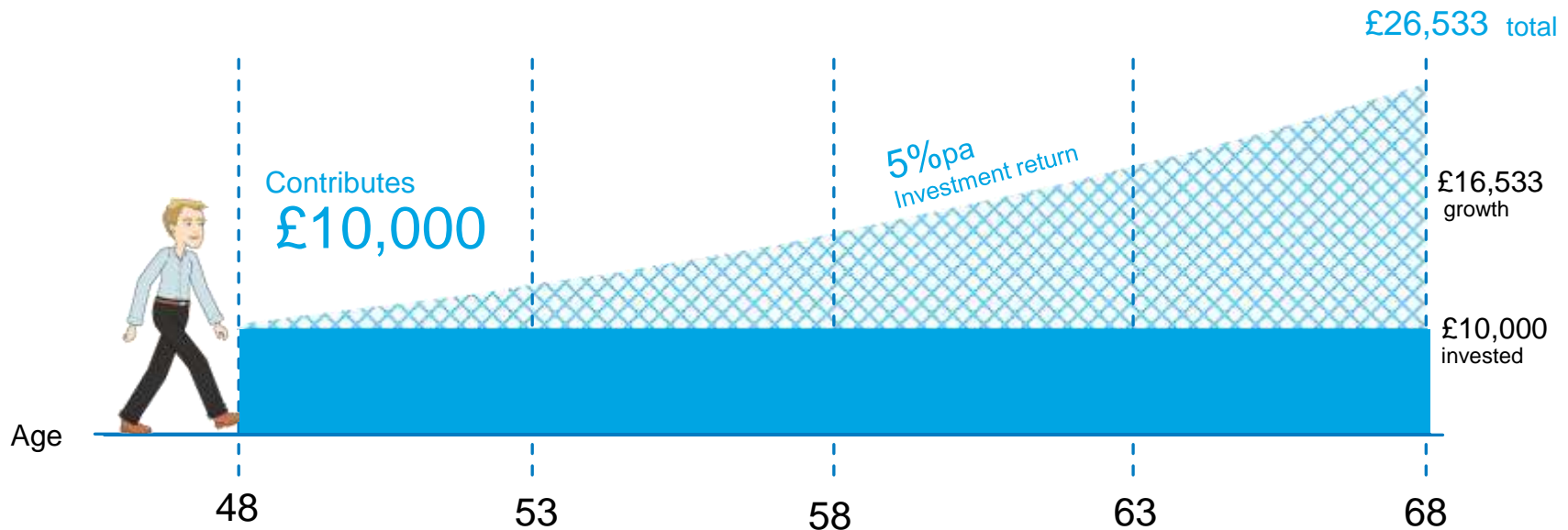


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# your bonus at retirement.

Using compound interest calculations you can estimate the future growth of your bonus in your pension.



For illustrative purposes only. Investment growth is not guaranteed. Ignores inflation and potential charges.

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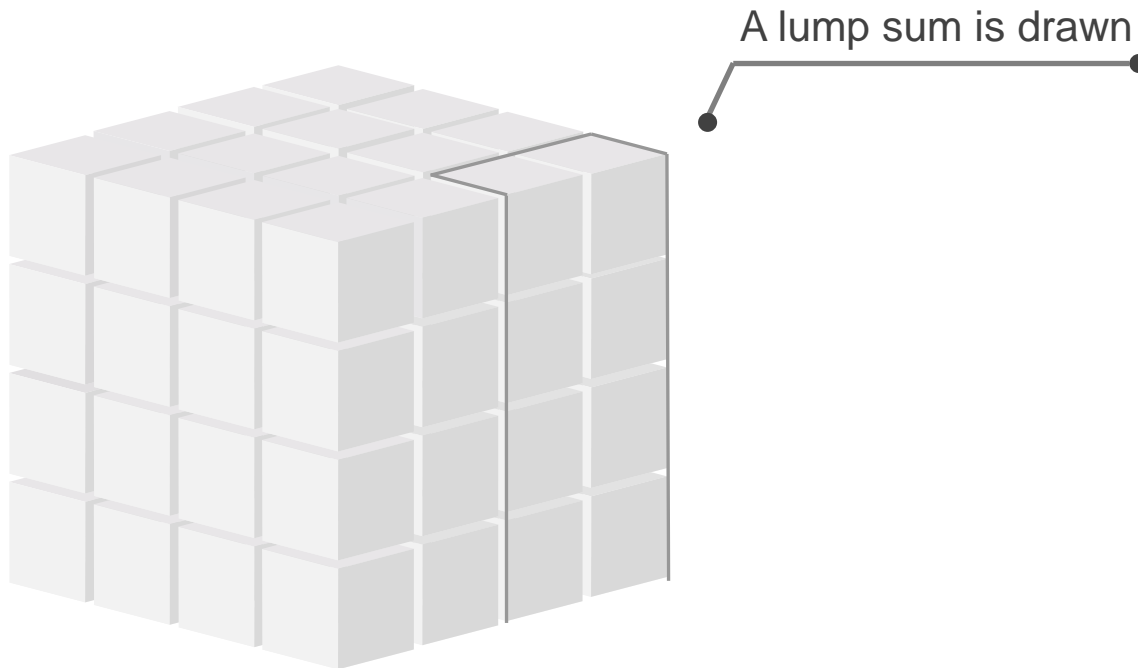
# tax relief versus tax cost.

- You will typically pay no tax or N.I. on your pension contributions\*
- However withdrawals at retirement are assessed for tax
- The following example weighs up the tax relief and tax cost of contributing and receiving a lump sum
- There are numerous other ways you may choose to access your pension

\*Subject to HMRC limits

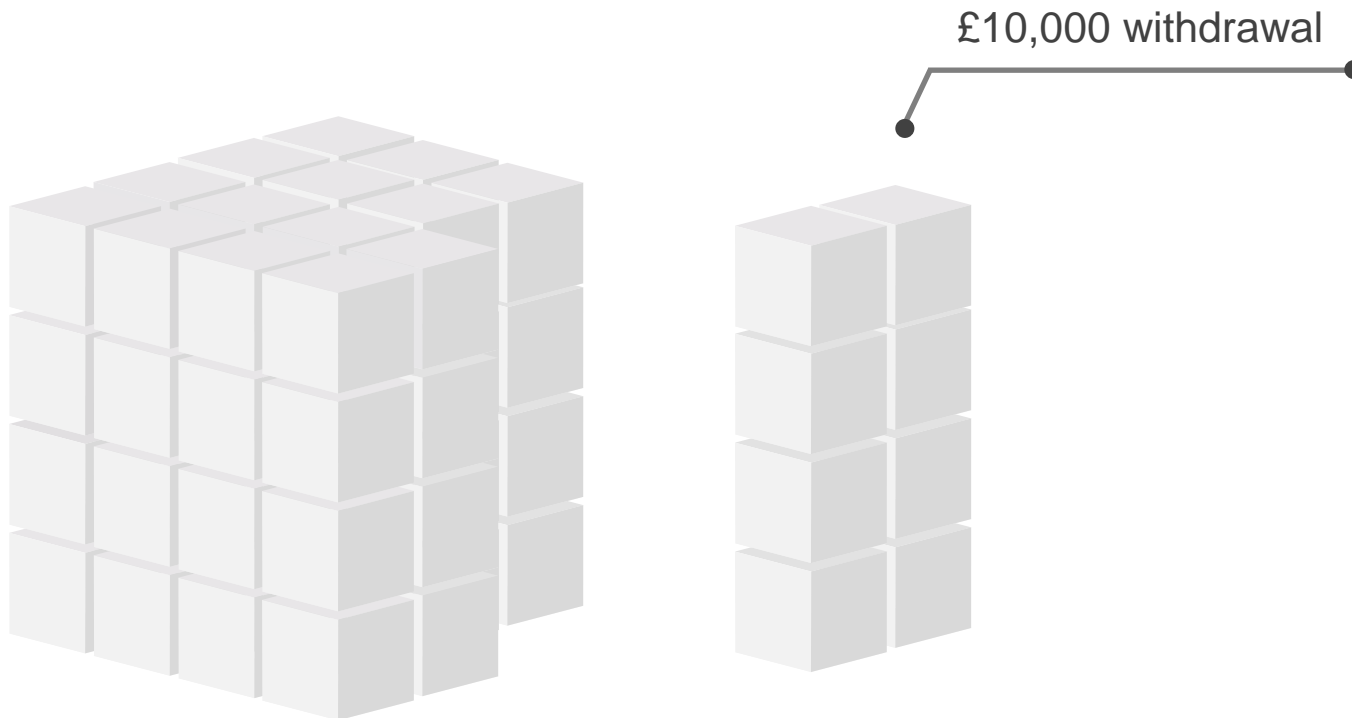
# tax relief versus tax cost.

Based on an individual who has no available Personal Allowance in retirement and will pay basic rate tax on withdrawals.



# tax relief versus tax cost.

Based on an individual who has no available Personal Allowance in retirement and will pay basic rate tax on withdrawals.



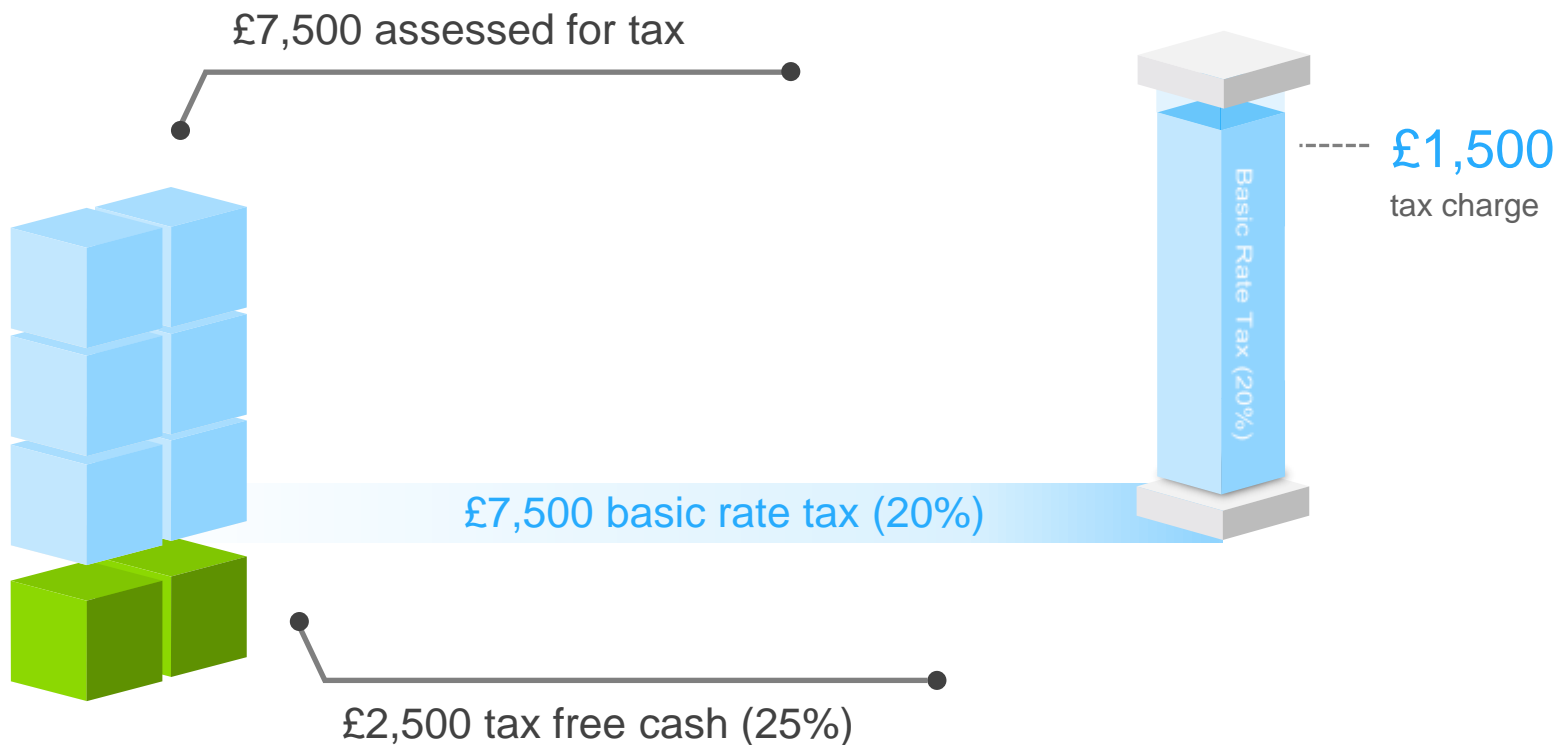
# tax relief versus tax cost.

Based on an individual who has no available Personal Allowance in retirement and will pay basic rate tax on withdrawals.



# tax relief versus tax cost.

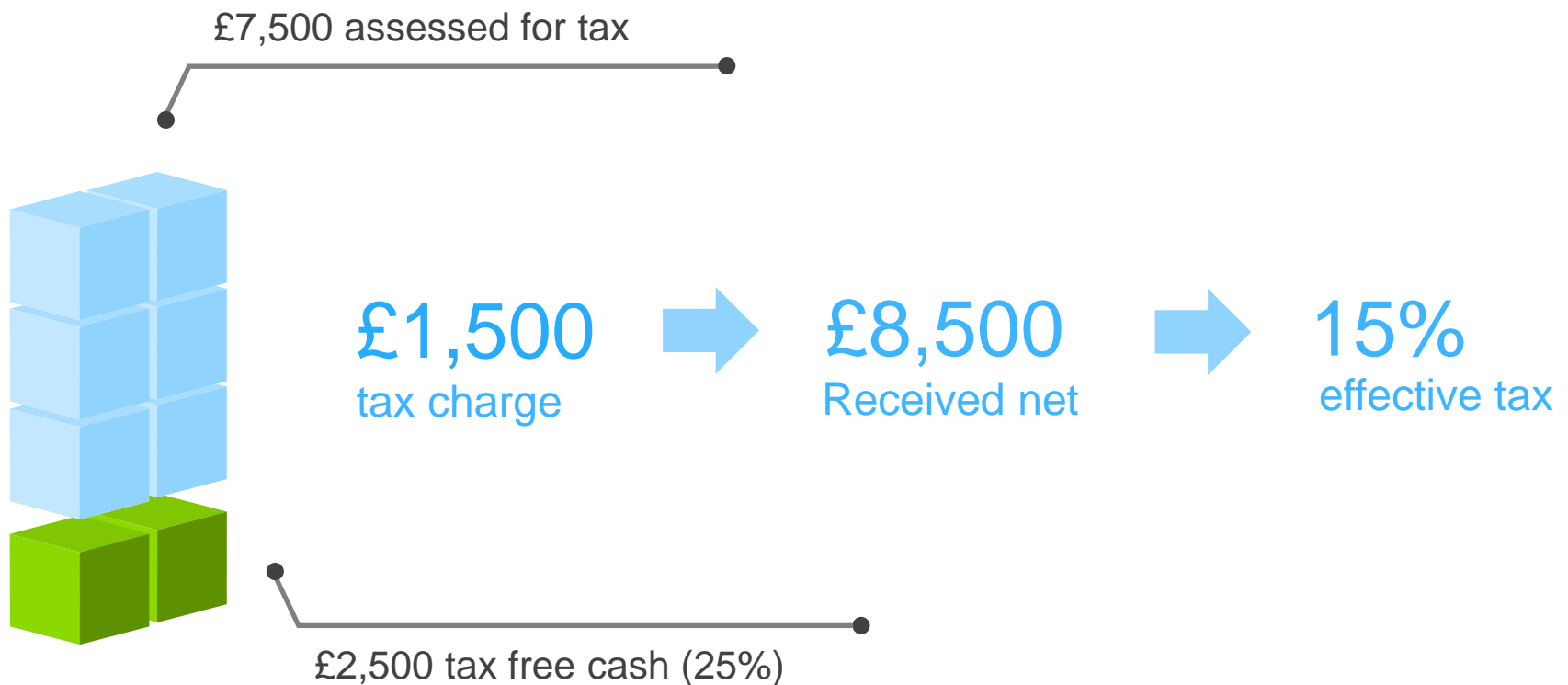
Based on an individual who has no available Personal Allowance in retirement and will pay basic rate tax on withdrawals.



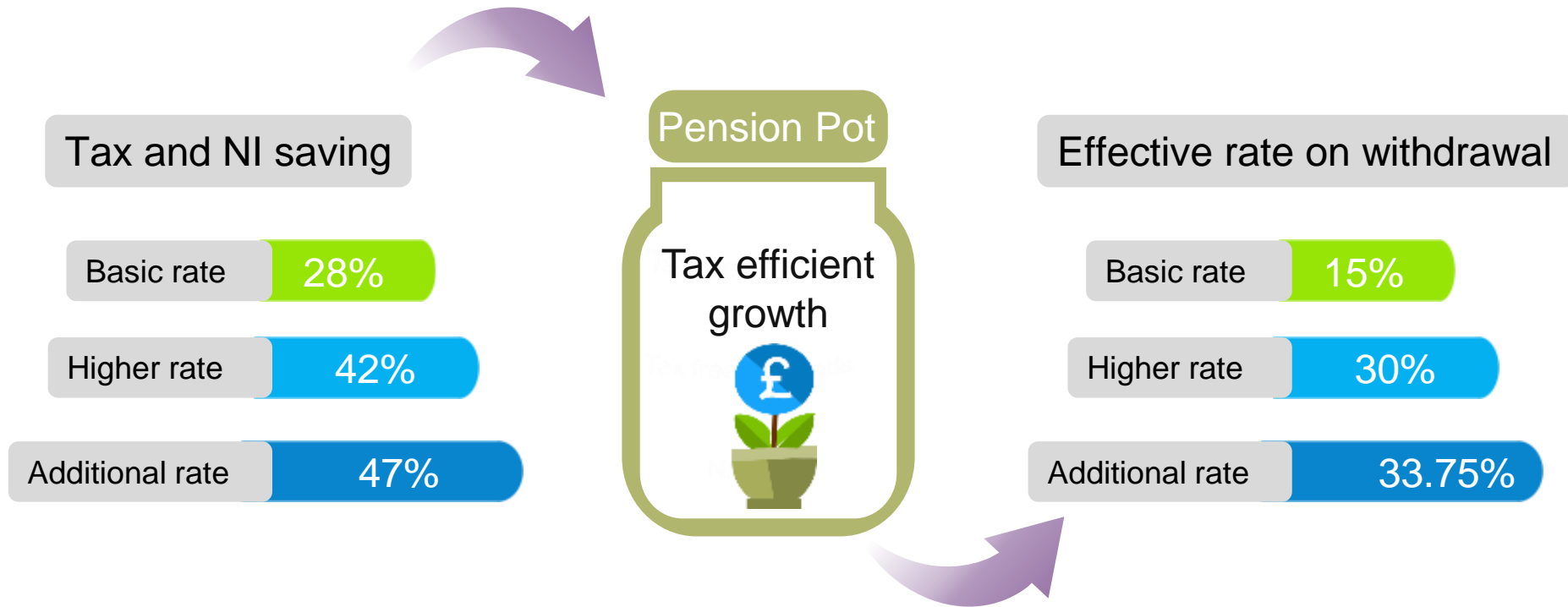


# tax relief versus tax cost.

Based on an individual who has no available Personal Allowance in retirement and will pay basic rate tax on withdrawals.



# tax saving vs saving cost.



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# limits to pension allowances.

# the annual allowance (AA).

Applies to the combined value of all contributions in a tax year

A £60,000 annual allowance usually applies but is reduced in certain circumstances

How it's measured:



**DC schemes** – the value of contributions paid in the tax year



**DB schemes** – a formula is used and this figure is usually provided by the scheme administrator

If you exceed your available AA you will have to pay a tax charge

# carry forward.

Must normally earn more  
than £60,000 a year



You are limited by your  
earnings



You must use the AA in the current  
tax year first



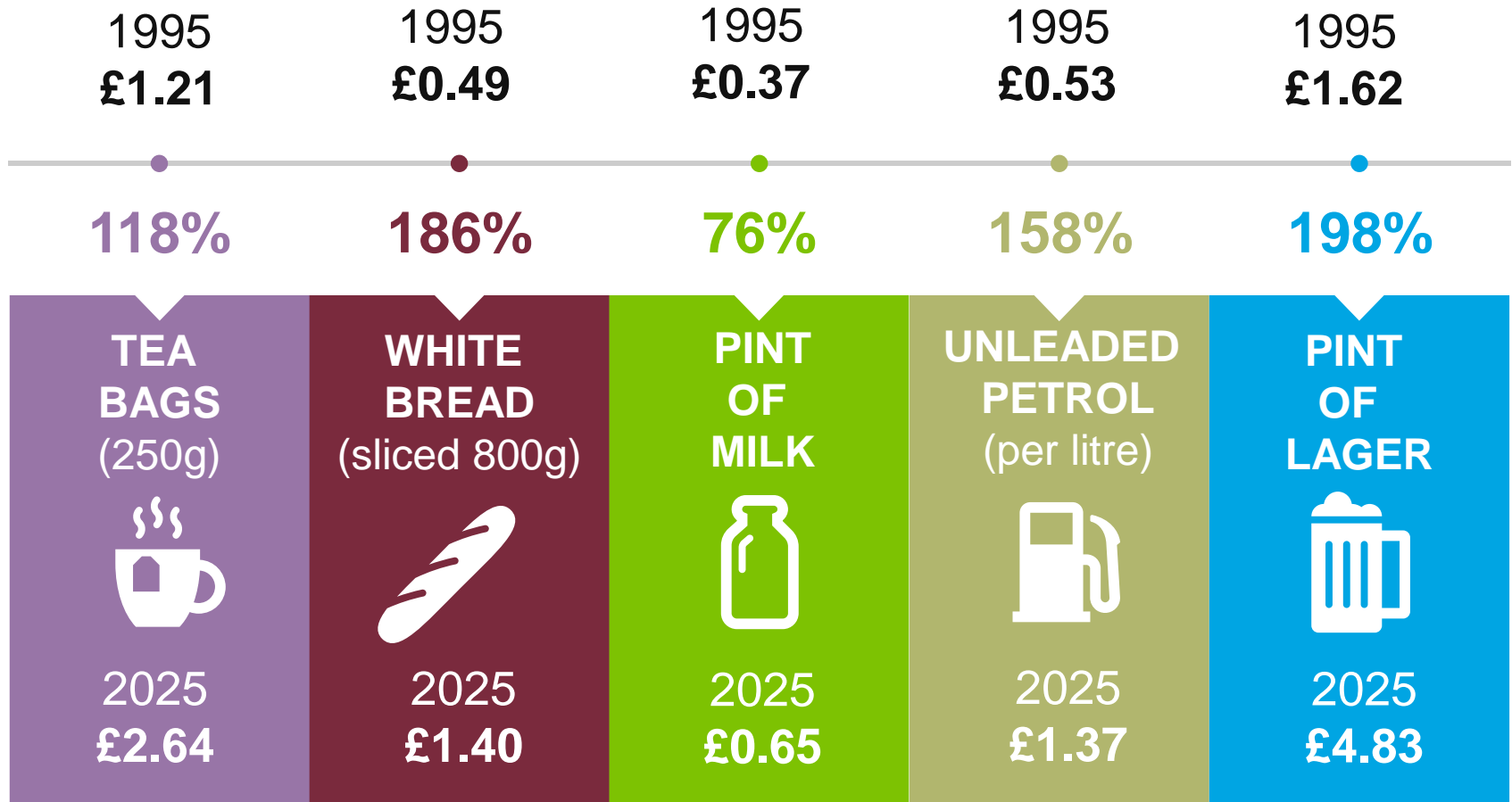
Then any unused AA from the  
earliest year



You must have been  
a member of a UK  
registered pension

**Carry forward  
unused annual  
allowance from up  
to the 3 previous  
tax years**

# quiz – inflation: 1995 vs 2025.



Source: Office for National Statistics

# a lower annual allowance (AA).

If your total taxable income for the current tax year is:

You will normally be  
subject to the tapered  
AA of £10,000

**£360,000  
or more**

**£200,001 to  
£359,999**

You may be subject to a  
tapered AA – you'll need  
to calculate your AA

You will normally be  
subject to the standard  
AA of £60,000

**£200,000  
or less**



Carry forward may be available from the 3 previous tax years

# limits on tax efficiency.

## Annual Allowance (AA)

- The annual allowance is £60,000\*
- This may be reduced if your total taxable income exceeds £200,000 or you flexibly withdraw taxable income from a DC scheme
- Carry forward may be available from up to the 3 previous tax years

## Limits on tax-free cash

- Lump Sum Allowance (LSA): The maximum tax-free cash is limited to 25% of the pension value, subject to a total cap of £268,275 (which is set to be frozen)
- Lump Sum and Death Benefits Allowance (LSDBA): The maximum amount of non-taxable lump sums that can be taken from a pension, set at £1,073,100.
- Those individuals who hold Life Time Allowance (LTA) protection will have allowances based on their protected LTA



**If you think you may be affected, ask about this on your follow up call**

\*Tax relief is only available on contributions up to the greater of 100% of relevant earnings or £3,600

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# combining your past pensions.

You can transfer most other pensions into the LSEG Pension Plan



## Shall I Transfer?

It can be a complicated decision; you may wish or be required to take regulated financial advice



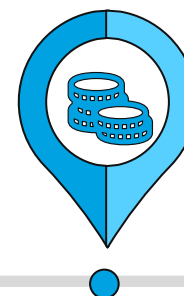
## Contact L&G

You will need to provide L&G with details of the pension you would like to transfer



## Transfer Process

L&G will contact the pension provider and arrange the transfer



## Funds Received

The transfer proceeds will be credited to your LSEG Pension Plan

**Legal & General  
Contact Details**



0345 070 2063



employerdedicatedteam@landg.com

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investing your pension.

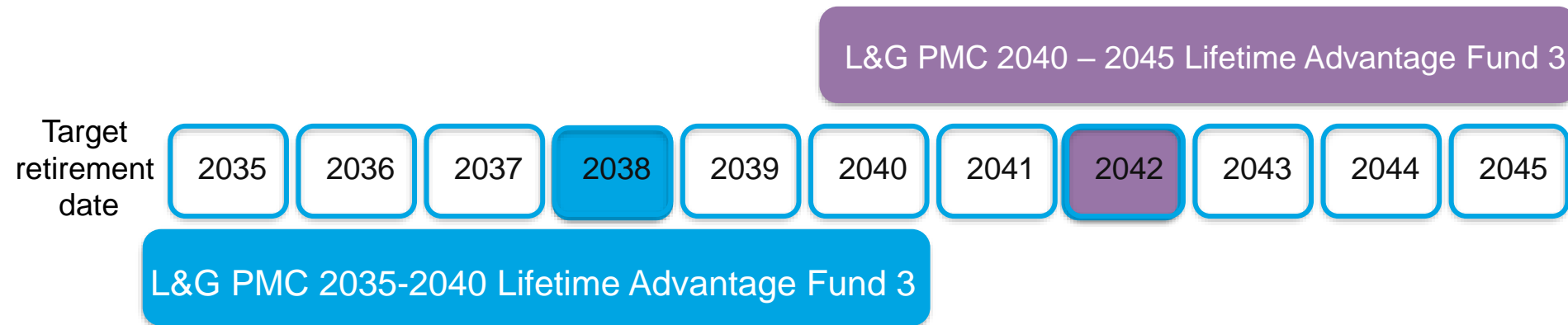
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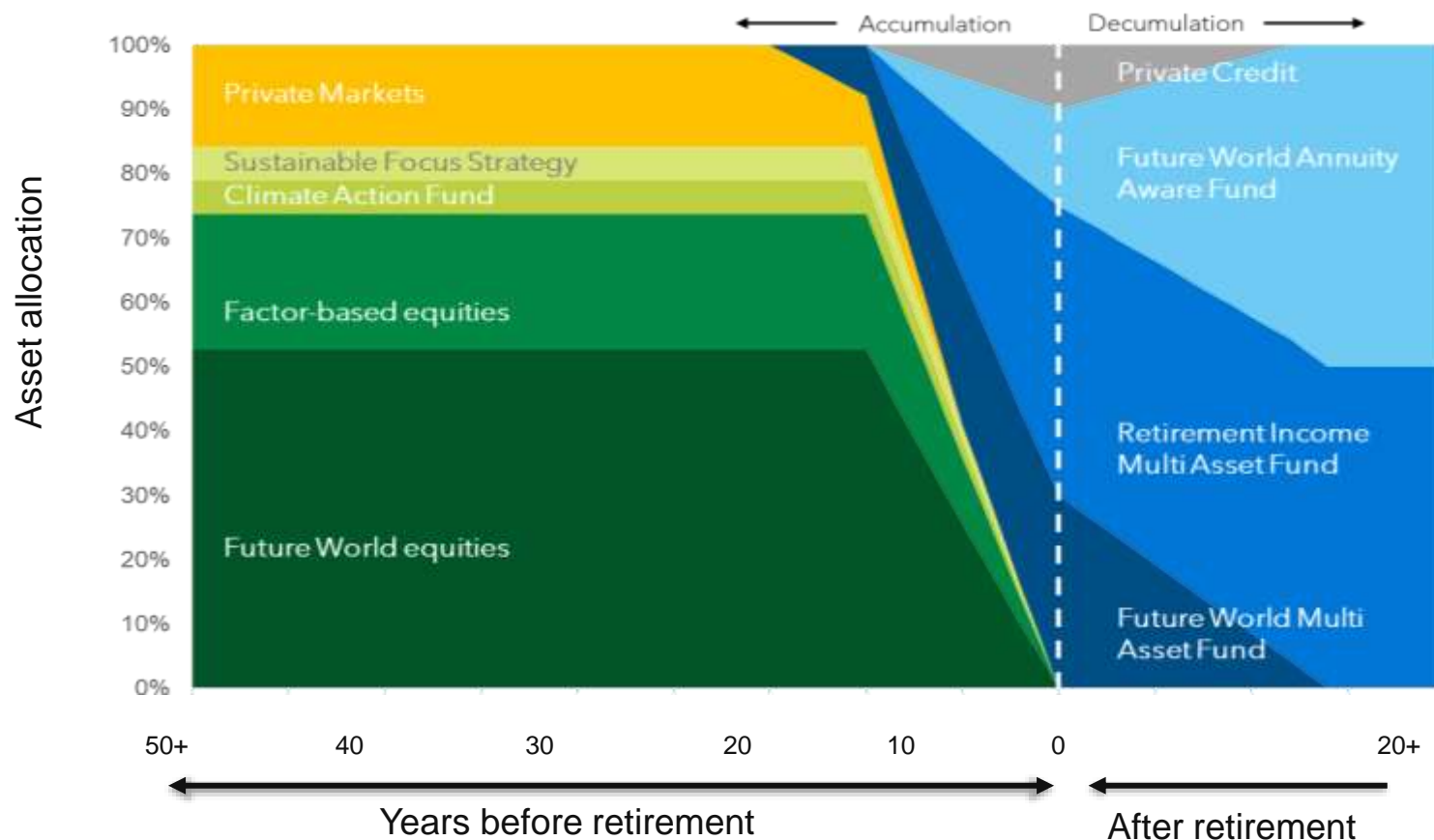
# the default pension investment.

The default investment fund is the Lifetime Advantage Fund which uses a target dated fund approach

– The Legal & General Generation 3 fund range



# how target date funds are invested.



Source: Legal & General.

Asset allocation is used as an example only and will vary according to fund choice.

# choosing your own funds.

- May be suitable if you are looking for greater investment flexibility
- Choose how much to allocate to different types of investments
- Manage your own risk exposure as you approach retirement
- Manually adjust your investments in line with your retirement income plan



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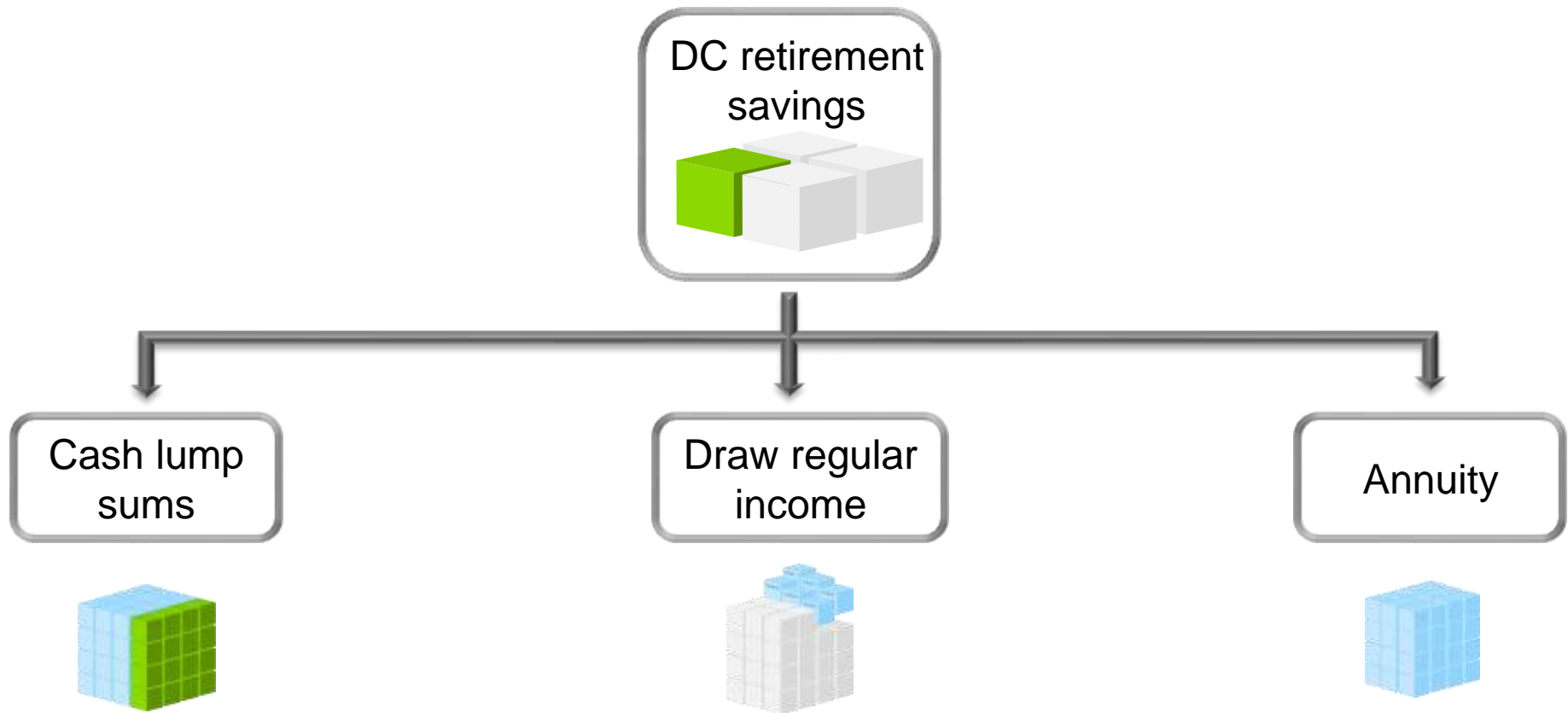
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receiving your pension.

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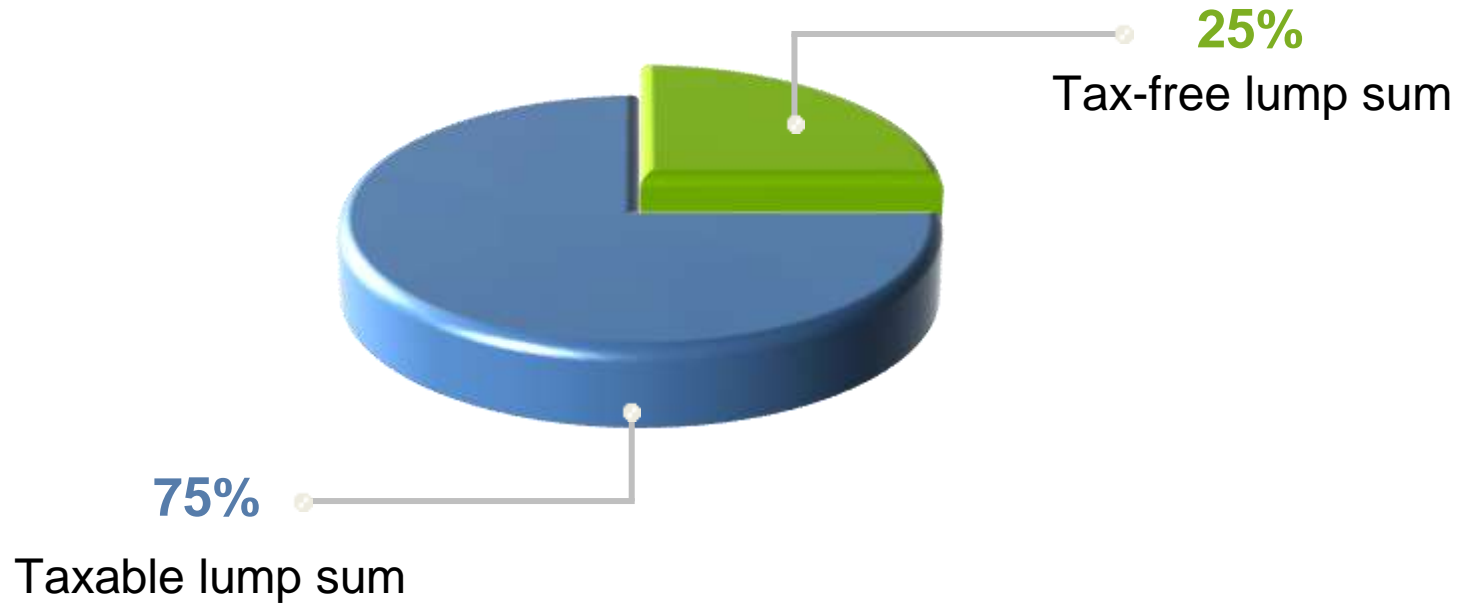
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# defined contribution income options.



You may need to transfer your benefits to an alternative arrangement to access your chosen income route

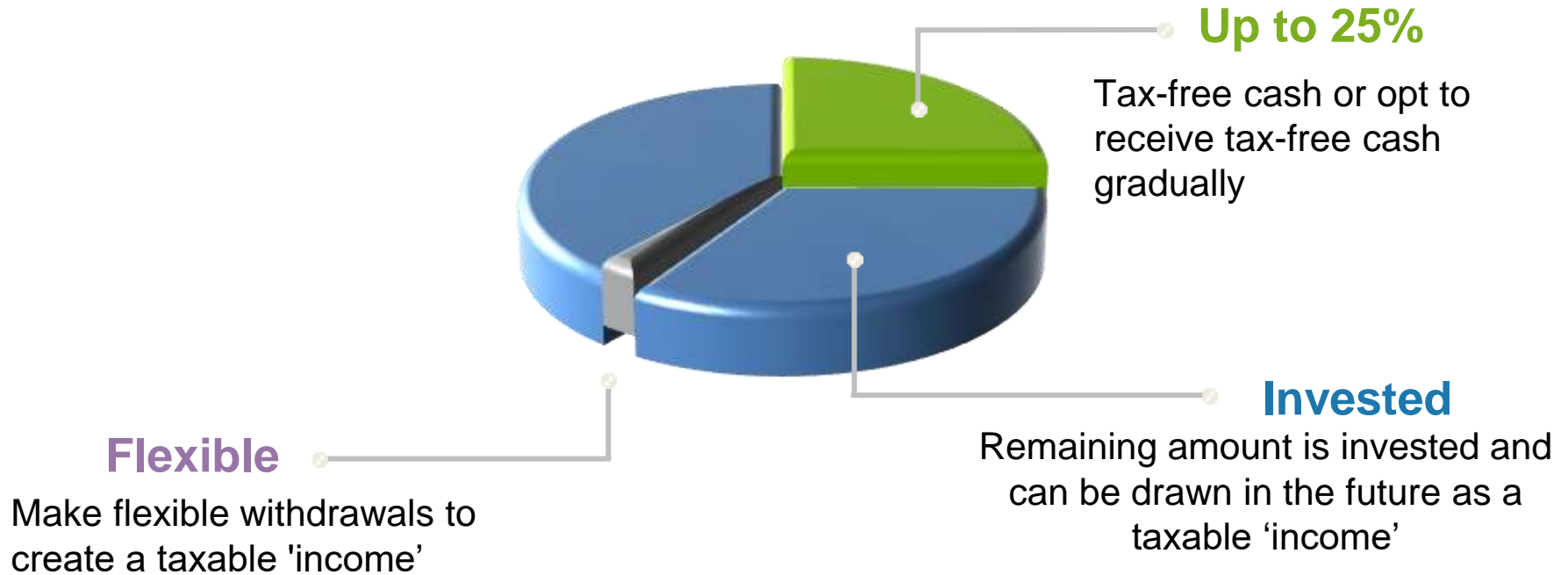
# cash lump sum.



- The taxable lump sum is taxed in the year of receipt
- This could lead to a significant tax charge
- There is the option to receive a series of lump sums



# flexi access drawdown.



Remember – the MPAA will apply if you receive taxable money flexibly from any DC pension pot.

# buying an annuity.

Receive up to 25% as a tax-free lump sum

Options include

- A guarantee period
- Inflation linking
- Spouse/partner income

Buy an annuity with the remainder



The income level is determined by your circumstances

Provides a secure income throughout your retirement

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next steps.

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# useful contacts.

01

## Lifeworks

Login.lifeworks.com | 0800 169 7072

Username & password: lsegUK

02

## Money Helper pension calculator

[www.moneyhelper.org.uk/en/pensions-and-retirement/pensions-basics/pension-calculator](http://www.moneyhelper.org.uk/en/pensions-and-retirement/pensions-basics/pension-calculator)

03

## General tax and National Insurance information

[www.hmrc.gov.uk](http://www.hmrc.gov.uk)

04

## Pension Tracing Service

[www.gov.uk/find-pension-contact-details](http://www.gov.uk/find-pension-contact-details)

05

## Questions about your LSEG Pension Plan

Email: [pensions@lseg.com](mailto:pensions@lseg.com)

06

## Obtain a State Pension Forecast

[www.gov.uk/check-state-pension](http://www.gov.uk/check-state-pension)

# seeking advice.

An adviser will assess your circumstances, objectives and risk profile and provide you with a personal recommendation to meet your objectives.

All regulated firms are listed on the Financial Services Register, this provides confirmation that the firm is authorised, the specific services they are authorised to provide and details of the advisers who work for them.

Financial Services Register link:

- <https://register.fca.org.uk>

# contact us.

We provide a telephone helpline and a regulated investment advice service through **my wealth** - a trading name of Wealth at Work Limited which is part of the Wealth at Work group.

It helps individuals to understand their personal financial situation especially when selecting their retirement income options.

• Telephone **0800 028 3200**

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# thank you.

0800 028 3200

[www.wealthatwork.co.uk/mywealth](http://www.wealthatwork.co.uk/mywealth)

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